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Turkey

Cotton and Products Update

Turkey and Cotton Products Update

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Report Highlights:

MY 2016 Turkish cotton crop is now estimated at 400,000 hectares and 705,000 metric tons (MT) (3.2 million bales). Suitable weather conditions, quality seeds and good farming practices all had positive effects on increased field yields. Domestic cotton consumption increased to 1.475 million metric tons (MMT) (6.77 million bales) in MY 2015 due to increase demand at export markets. Total cotton imports during MY 2015 reached 918,307 MT (4.2 million bales) of which 329,384 MT (1.5 million bales) were U.S. cotton. The antidumping investigation on U.S. cotton exports to Turkey has been finalized and three percent antidumping tax issued on U.S. cotton imports.

Post:
Ankara

Commodities:
Cotton

Production

MY 2016 cotton planting area and production now estimated 400,000 hectares and 705,000 MT (3.2 million bales). While planting area was higher than early season estimates in the Aegean and Cukurova regions, it was lower in the GAP region. Overall planting was up about fifteen percent compared to last year due to the increased production bonus and better returns compared to other crops such as corn in the cotton growing regions. Total production and yields were also higher compared to last year as a result of quality seeds, suitable climate conditions and good farming practices. The government's initiative to increase planting by increasing the production bonus to TL 0.75(US \$0.25) per kilogram of seed cotton had a positive effect on farmers' planting decisions.

Turkey became part of the Better Cotton Initiative (BCI) three years ago and estimated to have produced about 40,000 MT of BCI cotton in MY 2016. BCI cotton production is expected to increase in the coming years since higher profitability had generated interest among the farmers in all regions.

Consumption

MY 2016 domestic cotton consumption is expected about 1.475 MMT (6.77 million bales), similar to the last marketing year. The decline in exports into some of the Middle Eastern markets is expected to be compensated by an increase to the CIS countries. Demand from the European market, the leading market for Turkish textile exports, is expected to be the same as last year marketing year. MY 2015 textile exports are US\$ 25.1 billion, about the same as last year. Turkish companies are investing in new machinery with advanced technology to remain competitive in highly competitive world textile export markets.

The textile industry is one of the crucial industries in Turkey, providing about fifteen percent of total exports and about 2.5 million jobs. The leading export market for Turkish textiles and products is the European Union, accounting for about seventy percent of total Turkish exports. Turkey is the third largest supplier to the EU market, following China and Bangladesh. The strong U.S. dollar against Euro adversely affects Turkish exports to EU market since most of the raw material imports are purchased with US dollar and sales with euros.

Trade

Total cotton imports for MY 2015 were 918,307 MT (4.215 million bales), up from 800,000 MT (3.67 Million bales) last marketing year due to increased domestic consumption. The U.S. market share went down to thirty-six percent from fifty in MY 2013 partly as a result of uncertainties caused by the antidumping investigations that lasted more than 18 months and concluded with three percent duty on U.S. cotton exports to Turkey.

Turkmenistan (137,000 MT), Greece (105,000 MT), and Brazil (127,000 MT) were the other leading suppliers during MY 2015. Brazil's cotton export to Turkey went up nearly 100 percent during the marketing year. Despite the conflict along Turkey's southern border, about 17,000 MT of Syrian cotton also found its way to the Turkish market.

Turkey also imported 45,000MT of cotton during the month of August of which 30,000 MT were U.S. cotton and 7,000 MT was supplied by Turkmenistan.

In MY 2015, Turkish total cotton exports (including hydrofoil cotton for medical use) reached 50,300 MT, of which 11,000 MT were lint cotton for textile use and the remaining 39,000 MT were hydrofoil cotton for medical use. About 2,575 MT of Turkish lint cotton exports were to the Free Trade Zones that can be re-imported later. Bangladesh was the leading destination for Turkish cotton with 4,160 MT, followed by Greece at about 2,000 MT.

Turkey also exported about 10,600 MT of cotton in first months of MY 2016 of which 5,600 MT were hydrofoil cotton and 5,000 MT for textile use of which Bangladesh was the leading destination with 3,300 MT.

PSD Turkey Cotton Bales units (1000 hectares) (1000 480 bales lb. Bales)

Cotton	2014/2015		2015/2016		2016/2017	
Market Begin Year	Aug 2014		Aug 2015		Aug 2016	
Turkey	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	430	430	370	370	425	400
Beginning Stocks	1357	826	1596	1050	1583	926
Production	3200	3213	2650	2662	3200	3236
Imports	3675	3672	4218	4215	3700	3785
MY Imports from U.S.	0	1554	0	1512	0	1606
Total Supply	8232	7711	8464	7927	8483	7947
Exports	236	235	231	231	275	251
Use	6400	6426	6650	6770	6750	6770
Loss	0	0	0	0	0	0
Total Dom. Cons.	6400	6426	6650	6770	6750	6770
Ending Stocks	1596	1050	1583	926	1458	926
Total Distribution	8232	7711	8464	7927	8483	7947

Cotton (HECTARES)(MT)						
	2014	Revised	2015	Estimate	2016	Forecast
	Post Old	Post Estimate[New]	Post old	Post Estimate New	Post Old	Post Estimate[New]
Market Year Begin		14-Aug		15-Aug		16-Aug
Area Planted	430000	430000	370000	370000	425000	400000
Area Harvested	430000	430000	370000	370000	425000	400000
Beginning Stocks	180055	180055	228830	228830	203830	201810
Production	700000	700000	580000	580000	700000	705000
Imports	800068	800068	900000	918307	875000	825000
MY Imp. from U.S.	338534	338534	330000	329384	350000	350000
TOTAL SUPPLY	1680123	1680123	1708830	1727137	1778830	1731810
Exports	51293	51293	30000	50327	50000	55000
USE Dom. Consumption	1400000	1400000	1475000	1475000	1500000	1475000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	1400000	1400000	1475000	1475000	1500000	1475000
Ending Stocks	228830	228830	203830	201810	228830	201810
TOTAL DISTRIBUTION	1680123	1680123	1708830	1727137	1778830	1731810

Import Trade Matrix	Turkey		
Commodity	Cotton	Units:	Metric Tons
Time Period	Aug/July		Aug/July
Imports for:	MY 2014		MY 2015
U.S.	338534	U.S.	329384
Others			
Turkmenistan	169841	Turkmenistan	137307
Greece	128132	Brazil	127317
Brazil	62570	Greece	104896
Syria	28389	Burkina Faso	51690
Tajikistan	14404	Tajikistan	24523
Argentina	13261	Cote d'Ivoire	23602
Uzbekistan	6143	India	21241
Cote d'Ivoire	4643	Syria	17156
India	4300	Uzbekistan	16929
Mali	3944	Argentina	10423
Total of Others	435627		535084

Others not listed	25907		53839
Grand Total	800068		918307

Country	Turkey		
Commodity	Cotton	Units:	Bales
Time Period	Aug/July		Aug/July
Imports for:	MY 2014		MY 2015
U.S.	1553871	U.S.	1511872
Others:			
Turkmenistan	779570	Turkmenistan	630239
Greece	588126	Brazil	584385
Brazil	287196	Greece	481472
Syria	130306	Burkina Faso	237257
Tajikistan	66115	Tajikistan	112560
Argentina	60868	Cote d'Ivoire	108333
Uzbekistan	28196	India	97496
Cote d'Ivoire	21310	Syria	78746
India	19737	Uzbekistan	77704
Mali	18103	Argentina	47841
Total of Others	1999527	Total of Others	2456033
Others not listed	118914	Others not listed	247121
Grand Total	3672312	Grand Total	4215026